

HOUSING AND HOMELESSNESS COMMITTEE REPORT relative to establishing a process to assess and report on trends related to the concentration of ownership and corporatization of the City's housing stock that may negatively impact renters, limit small landlord ownership opportunities, and limit first-time homebuyer opportunities.

Recommendation for Council action:

INSTRUCT the Los Angeles Housing Department (LAHD) to establish an ongoing process to assess and regularly report to Council on trends related to size of ownership inventories, ownership organizational entity structures, and owner business models or behaviors that may negatively impact renters, limit small landlord ownership opportunities, and limit first-time homebuyer opportunities; and, INSTRUCT the LAHD to report to Council on the following options contained in the LAHD report dated October 3, 2025, attached to Council file No. 23-0840, to expand the foundational analysis of the report:

- a. OPTION 1 - Explore the Potential Link between Rapid Ownership Growth, Owner Behavior, and Renter Displacement Risk: Identify the number of owners with rapidly increasing inventories beyond the largest included in this report and analyze the extent to which their administrative records demonstrate an increased risk of renter displacement under their ownership. LAHD data to be examined include, but are not limited to Rent Stabilization Ordinance (RSO) complaints, Tenant Anti-Harassment Ordinance (TAHO) complaints, code complaints, eviction filings, and tenant buy-out agreements.
- b. OPTION 2 - Property Flipping: Identify the number of actors in the City whose primary business model is property flipping. Examine the most common renovations associated with flipping, how soon after purchase do the new owners typically flip the property, how much the flipped sales price increases over the acquisition price, whether existing tenants are likely to be permanently displaced by renovations, and in which neighborhoods are most impacted by property flipping. Data to be examined include First American sales data and Los Angeles Department of Building and Safety (LADBS) permit data.
- c. OPTION 3 - Acquisition of Properties from Distressed Small Landlords and Homeowners: Analyze the extent to which distressed small landlords and homeowners who fall behind on their mortgage payments lose their properties to larger actors acquiring via short-sales or foreclosure. Data to be analyzed include but are not limited to the City's Foreclosure Registry Program, and First American sales and foreclosure data.
- d. OPTION 4 - Use of Organizational Entities by Small Landlords: To better understand the extent to which organizational entity ownership is associated with portfolio size, analyze the extent to which small landlords create organizational entities, such as limited liability companies (LLCs) and trusts to hold their properties (typically done via Quitclaim Deed transfers). Data to be examined includes First American's non-sale transfer data.
- e. OPTION 5 - Better Distinguish a Small Landlord from a "Large" Landlord: Before determining whether an owner is a "small" owner, expand the assessment of the size of a property owner's inventory to include all of Los Angeles County, not just the City. A countywide understanding of an owner's portfolio size will give the City a better understanding of ownership size and how they are changing. The distribution of housing ownership can then be analyzed to identify the percentages of ownership at different threshold levels, for example, how many landlords own 10 or fewer units, 5 or fewer units, 2 or fewer units. Data to be examined includes Rent Stabilization Ordinance (RSO) and Just Cause Ordinance (JCO) Registration Data, and Los Angeles County Assessor Data.

Fiscal Impact Statement: The LAHD reports that there is no impact to the General Fund.

Community Impact Statement: None submitted

SUMMARY

At the meeting held on February 4, 2026, your Housing and Homelessness Committee considered a LAHD report relative to establishing a process to assess and report on trends related to the concentration of ownership and corporatization of the City's housing stock that may negatively impact renters, limit small landlord ownership opportunities, and limit first-time homebuyer opportunities.

After an opportunity for public comment was held, the Committee recommended to move forward Recommendation No. 1.a-b contained in the LAHD report, as detailed above. This matter is now submitted to the Council for consideration.

Respectfully Submitted,

HOUSING AND HOMELESSNESS COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
RAMAN:	YES
JURADO:	YES
BLUMENFIELD:	YES
HUTT:	YES
McOSKER:	YES

LV 2.4.26

-NOT OFFICIAL UNTIL COUNCIL ACTS-